

- Draft Final Report on CFHHS Activities
- ◇ Purpose: Review, Modification, Approval

DRAFT FINAL REPORT OF THE CHILDREN, FAMILIES, HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

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CHILDRENS & FAMILIES INTERIM COMMITTEE
aUGUST 20-21, 2012 Meetings
August 21, Exhibit 22

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Introduction and Overview

It's often said that children are the future. If that's the case, then the Children, Families, Health, and Human Services Interim Committee focused on the future during the 20011-2012 interim.

The committee examined childhood hunger and childhood trauma through the two studies assigned for the interim. Based on those studies, members approved several legislative proposals designed to increase use of food programs for children, improve the state's response to reports of child abuse and neglect, and support efforts to prevent abuse and mitigate the effects of traumatic effects on very young children.

The committee also encouraged the Office of Public Instruction (OPI) and farmers' markets to take actions that could improve access to fresh, healthy foods and to nutrition information.

The two studies stemmed from resolutions passed during the 2011 Legislature. In addition to those assigned studies, the committee also:

- monitored issues related to Medicaid, because the federal health law passed in 2010 called for an expansion of that state-federal program in 2014;
- conducted the required House Bill 142 review of statutorily required advisory councils and reports related to DPHHS;
- monitored implementation of the Montana Marijuana Act, which was approved as Senate Bill 423 in 2011;
- reviewed recommendations made by State Insurance Commissioner Monica Lindeen based on two studies that her office coordinated at the direction of the 2011 Legislature; and
- reviewed Department of Public Health and Human Services (DPHHS) activities to fulfill its oversight responsibilities for that agency. Its monitoring efforts included a review of safety matters at the Montana Developmental Center.

In all, the committee spent 10 meeting days on its interim activities, approved XX bills for introduction in 2013, sent X many letters to state agencies or other groups, and ANYTHING ELSE.

This report summarizes the committee's activities and actions related to the HJR 8 study of childhood hunger and to its monitoring and review duties. The SJR 30 study is covered in a separate report entitled, *"Strengthening the Response to Childhood Trauma in Montana."*

HJR 8 Study: Childhood Hunger

Background

As Montana and the nation went through tough economic times in recent years, an increasing number of the state's residents turned to public programs and emergency food sources to help feed their families. The increased use of these programs was a factor in passage of House Joint Resolution 8 during the 2011 Legislature.

HJR 8 called for a study of childhood hunger to look at the degree to which Montana children lack access to nutritious foods. The study also was to recommend ways to alleviate childhood hunger as well as to improve access to healthy foods.

In a post-session poll, legislators ranked the study sixth out of 16 study resolutions approved in 2011. The Legislative Council assigned the study to the Children, Families, Health, and Human Services Committee.

In carrying out the study, committee members reviewed:

- the types of publicly funded food assistance programs available to children and the number of people using those programs;
- locally operated programs, including emergency food banks and community gardens;
- the factors that lead to childhood hunger; and
- efforts to increase the use of Montana-grown food products in school food programs.

Committee members also visited a Helena school to eat lunch with students and observe the National School Lunch Program in action. The field trip gave them an opportunity to visit with school officials about the federally funded program and how it's carried out at the state and local levels.

And the committee engaged in a discussion of whether federal food-assistance programs should — or could — be changed to encourage better food choices.

The committee solicited ideas for legislative action from a wide number of stakeholders and then focused on eight specific topics. By the end of their study activities, members had approved two pieces of legislation and two letters to groups involved in food-related programs.

Looking at the Numbers

The committee began its study by learning more about the programs that provide food to low-income individuals. Most of the programs overseen by state agencies are funded by the federal

government, while the local programs are funded by a mix of public and private dollars.

Congress has created a number of programs over the past several decades to help low-income families meet their needs for food by providing:

- cash-equivalent benefits that individuals may use to buy food;
- commodities distributed through a variety of means; and
- free or low-cost meals, snacks, and milk in schools and school-related settings.

These programs have been in high demand in recent years. Statistics for the Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, showed that 80,911 Montanans were participating in the program in May 2008. By May 2009, that number had increased to 96,044. It stood at 116,368 in May 2010 and had increased to 125,957 in May 2011, just before the committee began its HJR 8 study.

Likewise, community programs that serve the hungry have indicated an increased demand for their services. The Montana Food Bank Network reported a 45% increase in the number of children's visits for emergency food when looking at the same six-month periods in 2009 and 2010. The group recorded 165,443 children's visits during six months in 2010, compared with 113,768 visits in 2009.

The federally funded programs are administered at the state level by either DPHHS or OPI.

DPHHS operates programs that provide cash-equivalent benefits for food purchases, provide food directly to individuals or to programs that serve low-income people, and reimburse child-care providers for the meals they serve. Meanwhile, OPI runs the School Nutrition Programs, which pay schools for serving meals, snacks, or milk to children in schools or other eligible settings, provide commodity foods to participating schools, and offer nutrition education to school teachers and students throughout the state.

Of the DPHHS-run programs, SNAP serves by far the largest number of Montanans.

In June 2011, about 126,500 Montanans were enrolled in SNAP. Of those, nearly 53,400 were children. About 20,000 women and children were enrolled in another program designed to meet the food needs of pregnant or breast-feeding women and children up to 5 years of age. A program to provide subsidized meals in child care and after-school programs served about 16,500 children in June 2011.

People generally qualify for the programs based on income, which must be at or below a specified percentage of the federal poverty level. The table below shows the income requirements and the benefit levels for the DPHHS-run programs in June 2011, at the time the committee began its HJR 8 study. Appendix B provides a table showing how the various income

eligibility limits translated into monthly and annual income standards that year.

| Program | Population Served | Average Monthly Benefit June 2011 | Eligibility Requirements |
|---------|---|---|--|
| SNAP | <ul style="list-style-type: none"> Adults and children | <ul style="list-style-type: none"> Varies by household size and income \$129.59 per person | <ul style="list-style-type: none"> Step 1: Gross monthly income up to 200% of FPL Step 2: Net monthly income up to 100% of FPL |
| WIC | <ul style="list-style-type: none"> Pregnant women Breastfeeding women Postpartum women Infants Children to age 5 | <ul style="list-style-type: none"> \$ 81.73 \$102.48 \$ 60.78 \$148.70 \$ 64.08 | <ul style="list-style-type: none"> At or below 185% of FPL |
| CACFP | Children in: <ul style="list-style-type: none"> Head Start programs licensed child care centers registered day-care homes | Reimbursement rates: <ul style="list-style-type: none"> Free meals: \$2.77 Reduced price: \$1.22 Paid meals: 26¢ | <ul style="list-style-type: none"> Free meals: at or below 150% of FPL Reduced price: 151%-185% of FPL |
| FDPIR | <ul style="list-style-type: none"> Qualified individuals living on or near Indian reservations Not enrolled in SNAP | <ul style="list-style-type: none"> Food package value: \$156 | <ul style="list-style-type: none"> Net income of slightly more than 100% of FPL |
| CSFP | <ul style="list-style-type: none"> Pregnant women and children through age 5 Adults 60 years or older | <ul style="list-style-type: none"> Food package value: \$62 | <ul style="list-style-type: none"> Children and pregnant women: up to 185% of FPL Seniors: up to 130% of FPL |
| TEFAP | <ul style="list-style-type: none"> Children and adults, through food packages Children and adults at sites serving group meals | <ul style="list-style-type: none"> Food package value set by local agency | <ul style="list-style-type: none"> Food packages: 150% of FPL Group meals: Anyone present |

SNAP = Supplemental Nutrition Assistance Program

WIC = Special Supplemental Nutrition Program for Women, Infants and Children

CACFP = Child and Adult Care Food Program

FDPIR = Food Distribution Program on Indian Reservations

CSFP = Commodity Supplemental Food Program

TEFAP = The Emergency Food Assistance Program

Schools may choose to offer any of several different meal or snack programs. The National School Lunch Program served about 83,400 Montana children in 817 schools on a daily basis in 2011. The School Breakfast Program reached fewer students each day — about 26,000 students in 723 schools.

All schoolchildren are eligible for the food programs their schools offer. However, children with a family income at or below 130% of poverty receive their meals for free. Children with family incomes of 131% to 185% of poverty pay 30 cents for breakfast and 40 cents for lunch. Children in families with incomes above those thresholds pay the full price for a school meal. The average cost of a full-price breakfast was \$1.21 in the 2010-2011 school year, while lunch averaged \$1.95.

The federal government makes payments to the schools that vary according to the type of meal served and whether the school serves a high percentage of low-income students. At the time the study was conducted, reimbursements ranged from a low of 26 cents for breakfasts or lunches purchased at full price to \$2.70 for school lunches that were served for free at schools with a high number of low-income children.

Schools also have partnered with private groups such as parent-teacher organizations and local food banks in food-assistance efforts to supplement the OPI-run programs. Some schools have set up pantries where students can "shop" for food before and after classes. Other schools have created "Backpack Programs" that send easy-to-prepare foods home with selected children on Friday afternoons, so they have meals for the weekend.

Considering the Need

Because a number of programs exist to help meet a family's food needs, committee members were interested in trying to determine the gap between the needs that were being met and the needs that remained unmet. Toward that end, the committee asked groups that work on food-assistance efforts to identify the degree to which needs remained unmet.

Peggy Grimes, the then-executive director of the Montana Food Bank Network, provided information at the Sept. 19, 2011, meeting estimating a gap of 103 million meals per year. The estimate was calculated as follows:

- U.S. Census Bureau data shows 132,281 Montana households at or below 185% of the federal poverty level, the standard set for several food-assistance programs;
- each household was estimated to be made up of 2.5 people, resulting in 330,703 people at or below 185% of poverty;
- at three meals a day, those individuals would need 362.1 million meals a year; and
- the individuals were able to provide 143.6 million meals themselves and to obtain about 115.1 million meals through public and private food-assistance programs, leaving a gap of 103.4 million meals.

Kate Devino, chief policy officer of the Montana Food Bank Network, submitted a document estimating the number of food-insecure children, by county. The document estimates that 48,000 Montana children lacked enough food at some time during 2009.

The Billings Area Food Policy Council provided information identifying certain gaps in the Billings area, as follow:

- About 5,600 Billings Public School students are at or below 185% of poverty and thus eligible for free and reduced-price school meals. However, only 3,000 of them received

those meals in 2007. About 2,200 have access to summer food programs.

- School officials believe that 10% to 12% of the children eligible for free and reduced-price meals, or 500 to 600 students, have little or no food when not in school.

And students in a Montana State University College of Nursing course identified gaps that occur primarily in services, including:

- access problems created by the lack of uniformity in the hours that food banks are open and in the distance to grocery stores in some areas of the state;
- insufficient SNAP benefits to cover food needs for an entire month; and
- lack of food during periods when school-related food programs are not offered, such as weekends and summer vacations.

Narrowing the Focus

After reviewing existing programs and the gaps identified by stakeholders, committee members focused their attention on a few key areas where they felt legislative action could have the greatest effect. They considered options for:

- increasing the use of the School Breakfast Program;
- supporting farm-to-school programs;
- creating a nutrition education clearinghouse;
- reviewing issues related to food "deserts," or areas that lack access to a full-scale grocery store or a store with a range of healthy food items;
- expanding use of SNAP benefits at farmers' markets;
- exploring "gleaning" programs that would support, through tax credits or other means, efforts to collect unused or perishable foods from restaurants and wholesale and retail grocery sources for donation to food banks;
- requiring the dairy operation at the Montana State Prison to donate milk to food banks; and
- using SNAP or Temporary Assistance for Needy Families (TANF) funds in different ways or establishing limits on use of SNAP benefits.

At their January 2012 meeting, members reviewed information and cost considerations related

to those topics and set aside time for public comment. A number of school officials and advocates for programs to alleviate hunger stressed the importance of the School Breakfast Program. They said students who take part in the program are better prepared for a full day of learning.

Based on the information received at that meeting, the committee requested and subsequently approved committee bills to appropriate:

- \$240,000 of state general fund in the next biennium to increase the use of the School Breakfast Program; and
- \$500,000 in federal TANF funds for a new grant program that would support out-of-school food programs for children.

The committee also sent a letter to OPI, asking the agency to establish an online clearinghouse for nutrition education information. Committee members agreed that OPI could take that step on its own, without legislation to require the agency to do so. Members and stakeholders also agreed that OPI could easily put such a clearinghouse together because it already provides nutrition education to school districts. Committee members envisioned that food banks, parents, and other interested parties could use the clearinghouse as a means to share information about existing programs and improve the ability of families to obtain information on good nutritional practices and to healthy recipes.

The committee also sent a letter to farmers' markets around Montana to encourage the markets to accept SNAP benefits. Members agreed that SNAP participants would benefit from having better access to fresh, healthy foods available at farmers' markets, while local producers would benefit from the potential increase in sales of their products.

Examining Public Food-Assistance Programs

As committee members considered the impact of potential legislative efforts, they also looked at the possibility of placing restrictions on the types of food that may be bought with SNAP benefits.

Federal law establishes requirements for SNAP and defines food for SNAP purposes. In essence, SNAP benefits may be used to buy any food or food product for home consumption except hot foods or food products that are ready for immediate consumption. Alcoholic beverages and tobacco are not food products for SNAP purposes.

Some committee members and members of the public questioned whether additional foods should be prohibited from purchase, particularly sugary foods or foods with a large amount of high-fructose corn syrup. They said those types of foods may be contributing to obesity problems in the country. They also noted that obesity is a major factor in a number of serious health conditions, including heart disease and high blood pressure, that can lead to significant

medical problems and costs.

However, the committee learned that little can be done at a state level to affect the federal guidelines for SNAP. For instance, the U.S. Department of Agriculture — which oversees SNAP — notes on its Web site that Congress has considered placing limits on the types of food that may be purchased with SNAP benefits. Lawmakers have not done so because "designating foods as luxury or non-nutritious would be administratively costly and burdensome."¹

In addition, the USDA has rejected two requests for exemptions from the federal requirements in recent years:

- In 2004, the state of Minnesota asked for a waiver to prohibit the purchase of candy and soft drinks that are taxed under state law. The USDA's waiver response of May 4, 2004, noted that federal regulations prohibit the waiver of regulations if the waiver would be inconsistent with the provisions of the Food Stamp Act. "By proposing to change the definition of 'food' in the Food Stamp Program (FSP) operated in the State of Minnesota, the waiver request is in direct conflict with the statute," the response noted. "Therefore, any such waiver request would not qualify for approval."

The USDA also noted that the waiver would "undermine the interoperability of the FSP among States," by allowing a different definition of food in one state than the definition used in all other states.

- In August 2011, the USDA rejected New York City's request to prohibit SNAP recipients from using their benefits to buy soda and other drinks with a high sugar content. Mayor Michael Bloomberg had requested the waiver as a way to reduce obesity and poor nutrition. The USDA denied the waiver because of the difficulty in determining which beverages may or may not be purchased with SNAP benefits and in determining how effective the ban would be on reducing obesity.²

The USDA also issued a paper in March 2007 that listed the following as the "serious problems" facing proposals to limit food purchases based on nutritional value:

- No clear standards exist for defining foods as healthy or unhealthy.
- Implementation of food restrictions would increase the complexity and costs of the SNAP program.

¹ "Supplemental Nutrition Assistance Program: Eligible Food Items," *U.S. Department of Agriculture* [online]; available at <http://www.fns.usda.gov/snap/retailers/eligible.htm>, accessed Nov. 22, 2011.

² Patrick McGeehan, "U.S. Rejects Mayor's Plan to Ban Use of Food Stamps to Buy Soda," *New York Times*, Aug. 19, 2011.

- Restrictions may not change the purchases made by SNAP recipients.
- No evidence exists that SNAP participation contributes to poor diet quality or obesity.

The paper concluded that the idea of restricting SNAP food choices as a way to promote an improved diet "has serious conceptual and practical flaws."³ It suggested that incentives, rather than prohibitions, be used to encourage the purchase of healthy foods. It also suggested the strengthening of nutrition education programs as a way to improve food choices.

Given the USDA position paper and waiver decisions, the committee did not pursue suggestions to try to establish state limits on SNAP purchases.

*Reports and other materials related to the committee's HJR 8 activities are available at:
www.leg.mt.gov/css/Committees/Interim/2011-2012/Children-Family/Assigned-Studies/HJR-8/hjr-8-study.asp*

³ "Implications of Restricting the Use of Food Stamp Benefits," *U.S. Department of Agriculture Food and Nutrition Service*, March 1, 2007, P. 7.

Medicaid Monitoring

Prompted by the expected expansion of the Medicaid program under the 2010 federal health care legislation, the committee decided to devote 20% of its meeting time to monitoring matters related to the federal-state Medicaid program. Committee members cited the estimated doubling of Medicaid enrollment in Montana as a reason for adding this task to the work plan. They reasoned that members should take steps to find out more about the likely effects of the expansion and options for dealing with potential costs.

The Patient Protection and Affordable Care Act called for a significant expansion of the Medicaid program as part of the law's overall goal of extending health insurance coverage to millions of people. The law requires people to have health insurance or pay a tax penalty for failing to have coverage. To help lower-income people obtain coverage, the law provided for premium subsidies for people between 100% and 400% of the federal poverty level. It also expanded Medicaid to cover people with incomes of 138% of poverty.⁴ The expansion applied to single, able-bodied adults ages 19 to 64 — a population generally not covered by the current Medicaid program. The law established a Jan. 1, 2014, effective date for the requirement for individuals to have insurance coverage and for states to expand their Medicaid programs.

Against that backdrop, committee members targeted the following topics to follow:

- the use of Medicaid waivers;
- managed care options;
- provider rates;
- privatization;
- proposals for block grants and blended rates;
- the effects of federal health care legislation on the Medicaid program; and
- activities in other states.

Over the course of the interim, the committee covered all of those topics except privatization and proposals for block grants and blended rates. In summer 2011, proposals were being floated at the federal level for turning Medicaid into a block grant program and for blending the matching rates the federal government pays each state for Medicaid and the Children's Health Insurance Program. However, those proposals were not advanced during the interim, so the committee did not take up those topics.

⁴ The law establishes the income eligibility standard for the Medicaid expansion threshold at 133% of poverty but also allows a 5% income disregard, resulting in an effective eligibility standard of 138% of poverty.

Hearing Various Viewpoints

The committee explored the various Medicaid topics primarily by hearing from panels of speakers at most of their meetings.

In November, 2011, the committee reviewed issues related to containing Medicaid costs, including the use of managed care. Representatives of UnitedHealthcare discussed the benefits of the managed care programs they operate in a number of states. Representatives of Montana hospitals and mental health providers reviewed Montana's past experience with a managed care mental health system. They also gave their views on the factors that should be taken into consideration for any future attempts to institute managed care in Montana. The committee also heard about the Health Improvement Program, which is a type of managed care program now used in Montana for a limited number of Medicaid patients with multiple medical needs.

In January 2012, the committee discussed error detection in Medicaid billing and also heard from Medicaid providers about how they have been affected by recent decisions on reimbursement rates. Two representatives of Emdeon, a health care data network, discussed ways in which data can be analyzed to prevent incorrect payments. Representatives of DPHHS and the Montana Department of Justice discussed the state's current efforts to detect errors and fraud.

Committee members also heard from representatives of several types of Medicaid providers about the ways in which fluctuations in Medicaid reimbursement rates in recent years have affected their ability to provide services. They emphasized that their costs for running facilities and programs continue to increase but that Medicaid rates have not kept up with those increases. They expressed concern, in particular, about the elimination of a planned 2% rate increase in fiscal year 2011, when Gov. Brian Schweitzer was required to cut state spending because of an expected budget shortfall.

The committee heard in March 2012 about the state's initial response to the Medicaid expansion envisioned by the federal health care law. A DPHHS representative discussed the computer system changes the state is making to meet the requirement that the health insurance exchange make determinations about whether people who apply for insurance through the exchange are eligible for Medicaid or Healthy Montana Kids. A University of Montana Bureau of Business and Economic Research representative discussed the bureau's survey of insured and uninsured Montanans, indicating it may provide information about how many more people may be eligible for Medicaid in 2014.

In August 2012, the committee continued to focus on Medicaid expansion questions in the wake of the U.S. Supreme Court decision that essentially made the Medicaid expansion optional for each state. **MORE DETAILS FOLLOWING MEETING**

Acting on the Information

During the interim, committee action on Medicaid focused primarily on provider reimbursement rates. Over the course of three meetings, the committee considered and refined a bill draft to

make a payment to providers to recognize the impacts they experienced when the scheduled rate increase for fiscal year 2011 was eliminated. Most Medicaid providers were slated to receive a 2% increase in reimbursement rates on July 1, 2010. Physicians were scheduled to receive a 6% rate increase.

The elimination of that increase came on the heels of reductions in rates in several previous fiscal years. While providers had received a 2% increase in fiscal year 2010, that increase was paid for with one-time-only money. The rate increase expired in fiscal year 2012, when the budget for the current biennium went into effect. That two-year budget does not include increases for most providers.

Based on comments from providers, the committee agreed to draft a bill to make up for the funding that was lost in fiscal year 2011. After considering several options, the committee approved a bill to appropriate \$6.5 million to make a payment that represents the state's share of the fiscal year 2011 rate increase that was approved but not put into effect. The money would be appropriated from the general fund in fiscal year 2013. That allows the appropriation to be made out of the current biennium's ending fund balance, which is forecast to be at least \$150 million above initial estimates.

Waiting for Clarification

The committee's Medicaid discussions were constrained to some degree over uncertainty about the status of the Medicaid expansion. Legal challenges to the Patient Protection and Affordable Care Act were percolating through the court system during the interim, culminating in three days of oral arguments in the U.S. Supreme Court in March 2012. The court ruled on the case in late June, when only one meeting remained on the committee's schedule.

The court upheld most of the federal law but did find the expansion of the Medicaid program to be unconstitutionally coercive. The law contained a penalty for states that didn't comply with the expansion requirement — a loss of all federal funds for the Medicaid program. The high court said that such a severe penalty acted as a "gun to the head" and gave states no choice but to participate in the expanded program.

However, the court concluded that the constitutional problem could be solved by eliminating the penalty. As a result, a state that chooses not to participate in the expansion won't lose all its Medicaid funds. It simply won't receive the additional federal funds it would have received if it expanded coverage to the new population.

The committee heard more about the implications of the court's ruling at its August meeting.

ADD DETAILS AND ANY COMMITTEE ACTION HERE

Reports and other materials related to the committee's Medicaid monitoring activities are available at:

www.leg.mt.gov/css/committees/interim/2011-2012/Children-Family/Topics/medicaid.asp

HB 142 Review of Advisory Councils and Agency Reports

The 2011 Legislature passed House Bill 142, which required interim committees to review advisory councils and agency reports that are required by state law. Each committee reviewed the councils and reports related to the state agencies over which they have oversight responsibility. Thus the Children and Families Committee conducted the review for councils and reports related to DPHHS.

State law establishes 18 advisory councils within DPHHS. The councils provide guidance on matters that range from aging services to mental health services to telecommunications access issues for disabled individuals.

In addition, the agency is required by law to submit 12 different reports to the Legislature. The reports cover topics ranging from suicide prevention to Medicaid to details on the placement of children with mental health needs in out-of-state treatment facilities.

The following councils are established in law:

| | |
|---|--|
| Advisory Council on Aging | Medicaid Managed Care Advisory Council |
| Advisory Council on Food Safety | Mental Health Oversight Advisory Council |
| Board of Public Assistance | Montana 2-1-1 Community Coalition |
| Child Support Enforcement Advisory Board | Montana Health Coalition |
| Children's System of Care Planning Committee | Regional Trauma Care Committees |
| Children's Trust Fund Board | Service Area Authorities |
| Commission on Provider Rates and Services | Tobacco Prevention Advisory Board |
| Committee on Telecommunications Access Services | Trauma Care Committee |
| Community Health Center Advisory Group | Traumatic Brain Injury Advisory Council |

Committee Review and Agency Recommendations

Information provided to the committee indicated that several of the councils have been inactive in recent years, while several reports have not been provided to the Legislature. The reasons for the inaction varied for both the councils and the reports. In some instances, the underlying reason for creating a council no longer existed. In others, the department was waiting for council members to provide direction on council activities.

The following councils had not met in more than a year and were considered inactive for the purposes of the HB 142 review: Child Support Enforcement Advisory Board, Commission on Provider Rates and Services, Community Health Center Advisory Group, Medicaid Managed Care Advisory Council, Montana 2-1-1 Community Coalition, Regional Trauma Care Committees, and the Tobacco Prevention Advisory Board.

DPHHS recommended that the statutory language requiring the following councils be repealed because the groups have been inactive: Child Support Enforcement Advisory Board, Montana

2-1-1 Community Coalition, and the Regional Trauma Care Committees. It also recommended repeal of the Advisory Council on Food Safety because it is not being used as intended.

The agency also recommended that the committee repeal the requirements for the Mental Health Oversight Advisory Council and the Children's System of Care Statutory Planning Committee. DPHHS said it would instead create one board to provide public input on both adult and children's mental health matters.

Finally, DPHHS suggested that requirements for seven of the 12 reports be eliminated and that information related to the items be presented to the Legislature in another manner.

Committee Decision

At its June 2012 meeting, the committee decided against introducing any HB 142-related legislation. Some members suggested that DPHHS was in a better position to determine which advisory councils and reports were unnecessary. They noted that the agency could propose legislation of its own to accomplish any desired changes.

*Reports prepared for the committee's HB 142 activities are available online at:
<http://leg.mt.gov/css/committees/interim/2011-2012/Children-Family/hb-142-review.asp>.*

SB 423 Monitoring: Montana Marijuana Act

The Montana Medical Marijuana Act, approved by voters in 2004, was in the spotlight during much of the 2011 legislative session. Lawmakers considered 15 bills to change the law, following a sharp increase in 2010 in the number of people registered to use marijuana for medical reasons and the number of people authorized to grow and manufacture marijuana for those patients. The use of marijuana became much more publicly visible, as well, as the numbers increased.

The Legislature approved four of the bills, including a measure to repeal the law. The governor vetoed that bill, and the Legislature subsequently passed Senate Bill 423. The measure repealed the Medical Marijuana Act and replaced it with new requirements for the cultivation, manufacture, and possession of marijuana for use by people with debilitating medical conditions. The requirements were generally stricter than those of the Medical Marijuana Act.

SB 423 required the Children, Families, Health, and Human Services Interim Committee to monitor the new law and draft legislation if members decided changes to the law were needed.

To fulfill this statutory requirement, the committee received reports at each of its meetings about the status of SB 423 and related lawsuits and ballot measures. At its September 2011 meeting, the committee also scheduled time to hear from DPHHS about its efforts in putting the new law into effect and from the Montana Cannabis Industry Association representative about the challenges the industry group felt the law created for patients and for the individuals registered to grow or manufacture marijuana for patients.

Numerous SB 423-related developments occurred throughout the interim.

Taking the Matter to the Voters

SB 423 opponents succeeded in gathering enough signatures last year to place SB 423 on the November 2012 ballot as a referendum. Voters will be asked whether they want to keep the law or reject it. If voters reject the new law, Montana's laws relating to the use of marijuana for medical conditions will revert to the laws in effect before SB 423's passage.

Meanwhile, marijuana advocates failed in an effort to qualify Constitutional Initiative 110 for the November ballot. The measure would have legalized recreational marijuana use by adults.

Legal Challenges in State and Federal Courts

The Montana Cannabis Industry Association filed suit against SB 423 as soon as it was allowed to go into effect without the governor's signature. In addition, some individuals pursued legal action involving the former Medical Marijuana Act in state courts, while others

challenged federal raids of marijuana businesses that had taken place in March 2011.

The committee heard regular reports on the Cannabis Industry Association lawsuit throughout the interim, as the case was pending throughout the interim and remained unresolved at the time of the committee's final meeting. The suit was filed on May 13, 2011, to stop the law from going into effect as scheduled on July 1, 2011. The plaintiffs contended numerous aspects of the law violated constitutional rights to health, employment, and privacy. On June 30, 2011, District Judge James Reynolds of Helena halted five provisions of the law but allowed the remainder to go into effect until a full trial could be held on the merits of the suit. The provisions that were suspended would have:

- limited providers to growing or manufacturing marijuana for a maximum of three patients;
- prohibited payment for marijuana and marijuana-infused products;
- required DPHHS to provide the Board of Medical Examiners with the names of doctors who provided written certification of a debilitating medical condition for more than 25 patients in a 12-month period;
- prohibited advertising of marijuana and marijuana-infused products; and
- allowed DPHHS and law enforcement to conduct unannounced inspections of locations where providers indicate they are growing or manufacturing marijuana.

The Attorney General's Office appealed two elements of Judge Reynolds' decision to the Montana Supreme Court — the limit on the number of patients and the prohibition on payment. The state argued that the lower court had incorrectly applied the highest standard of judicial review to those provisions. The Supreme Court heard oral arguments in the case on May 30, 2012, and **DID WHAT**.

The case is now.....

Meanwhile, the Supreme Court issued significant rulings in cases brought under the former Medical Marijuana Act. If voters overturn SB 423 in November 2012, the rulings will provide some guidance on provisions of the former law that many people felt were murky, at best.

The rulings established that:

- caregivers growing or manufacturing marijuana for designated patients may not sell or transfer marijuana to other caregivers (Medical Marijuana Growers Association,

Inc. v. Corrigan);⁵

- patients are not protected by the law if they obtain marijuana from anyone other than the caregiver they have named in their registry application (State v. Tristiana Johnson);⁶
- hashish, a concentration of marijuana resin, is not usable marijuana as defined by the law and is therefore not a legal substance that may be purchased, manufactured, or possessed under the Medical Marijuana Act (State v. Pirello);⁷ and
- individuals are not protected by the law until they have obtained registry cards as a patient or caregiver (State v. Stoner).⁸

The court upheld criminal charges and convictions against the individuals who had filed the appeals.

And finally, a number of caregivers challenged in federal court the ability of the federal government to raid their businesses and seize plants, money, and other items. They contended the raids violated their rights under the U.S. Constitution. U.S. District Judge Donald Molloy dismissed the lawsuit in January 2012, saying the Supremacy Clause of the federal constitution "unambiguously provides that if there is any conflict between federal law and state law, federal law shall prevail." Under the federal Controlled Substances Act, cultivation and sale of marijuana are illegal.

The caregivers have appealed the dismissal to the 9th U.S. Circuit Court of Appeals.

Watching the Numbers Drop

The number of people registered to use and provide marijuana fell steadily from May 2011 through June 2012, as the year-long registry cards issued under the old law expired and individuals were required to register under the new provisions of the law. In July 2012, the numbers appeared to be leveling off.

The number of individuals registered to use marijuana for medical conditions dropped by 72% from May 2011 through July 2012. The number of patients stood at 31,522 in May 2011,

⁵ 2012 MT 146

⁶ 2012 MT 101

⁷ 2012 MT 155

⁸ 2012 MT 162

representing the highest number of patients ever registered with the state. By the end of July 2012, the number stood at 8,834. The number of minors decreased from 54 in May 2011 to two in July 2012.

SB 423 tightened the requirements for obtaining a registry card for severe and chronic pain. In addition, it requires minors to obtain certification from two physicians, prevents parolees and probationers from obtaining cards, and requires cardholders to be Montana residents.

The number of providers and physicians involved with the program declined, as well. In May 2011, there were 4,650 caregivers and 362 physicians. The July 2012 registry statistics showed that 395 individuals were registered as providers and 221 doctors were providing written certification of debilitating medical conditions.

Identifying Potential Legislative Issues

While monitoring SB 423, committee members heard that:

- a provision on shared premises prevents some people from being providers for persons who share their homes and should be waived under some circumstances;
- the requirement for providers to submit fingerprints may be reducing the number of potential providers because of their concern that the submission may alert federal authorities that they are growing marijuana;
- the decrease in the number of providers may be affecting the ability of patients to obtain marijuana legally;
- confidentiality provisions prevent Montana State Hospital officials from determining the names of doctors who have provided written certification for patients who, at a later date, are committed to the State Hospital; and
- if voters reject SB 423 in November, the law will revert to the provisions in place before passage of SB 423. A number of new provisions would no longer be in effect even though they had the support of many legislators in 2011. Those include the ban on smoking in public, the requirement that patients and providers be Montana residents, the prohibition on the use of telemedicine or electronic means for physicians to diagnose debilitating conditions, and the authority of local governments to regulate marijuana cultivation and businesses.

Committee Decision

Because of the uncertainty surrounding the fate of SB 423 throughout the interim, the committee members took no action to draft committee legislation to address implementation issues. The Montana Cannabis Industry Association lawsuit remained unresolved at the end of the interim. Committee members also recognized that the voters will also be weighing in on the fate of the law in November.

As a result, they decided that proposing changes to the law during this interim would be premature.

Reports related to the committee's SB 423 monitoring activities are available at:
<http://leg.mt.gov/css/committees/interim/2011-2012/Children-Family/Staff-Reports/reports.asp>

Other Oversight Activities

The Children and Families Committee is responsible for overseeing the activities of the Department of Public Health and Human Services. The agency is made up of 11 divisions and has more than 3,000 employees. It provides public health services to all Montanans and a wide array of assistance to vulnerable Montanans. Its services touch children and the elderly, as well as needy, disabled, abused, neglected, and mentally ill individuals.

In addition, the committee monitors health and human services matters to identify topics that might be in need of legislative attention. And this interim, it reviewed recommendations from two studies undertaken by the State Auditor's Office. Legislation approved in 2011 required that office to report to the committee on studies it was required to undertake of insurance coverage for patients in cancer clinical trials and the costs and benefits of creating a database of all insurance claims paid by both private insurers and government programs.

The committee also took particular interest in operations at the Montana Developmental Center (MDC) following the sexual assault of a resident by an employee.

This section summarizes the committee's oversight activities.

Montana Developmental Center

MDC is the residential facility for seriously developmentally disabled adults who cannot be served appropriately in the community. Located in Boulder, the facility houses and provides services to about 50 residents. All of them were originally committed to MDC by a court, through either a civil commitment proceeding or as a sentence for a criminal conviction. Most suffer from a mental illness, in addition to their developmental disabilities.

In May 2010, a resident reported to MDC officials that an employee had given her candy in exchange for sex. Her report set off a series of actions that included investigation by the Department of Corrections and the Department of Justice, replacement of the MDC superintendent, and a court case in which the employee pleaded guilty to a felony charge of sexual assault.

The Department of Justice investigative report was released by court order in April 2012. Following release of the report, the committee decided to obtain more information about MDC's efforts to ensure resident safety.

In June 2012, four DPHHS representatives discussed changes in the administrative structure of the facility, improvements to staff training, and the challenges posed by serving a population that exhibits behaviors that cause them to be either civilly or criminally committed to the facility. Meanwhile, Disability Rights Montana pointed to its ongoing concerns about the treatment of residents and asked the committee to consider legislation to:

- allow the advocacy group to receive statutorily required reports of abuse allegations; and
- place the facility's client protection specialist under the supervision of the Department of Justice, rather than MDC.

The committee authorized drafting of that legislation and also asked staff to prepare a bill draft requiring DPHHS to develop and begin to implement a plan to close MDC and move residents out of the facility and into community placements by June 30, 2015.

At its August meeting, the committee reviewed and took public comment on the bill drafts. The committee **TOOK WHAT ACTION.**

Cancer Clinical Trials

House Bill 615 directed the state insurance commissioner to create an advisory council to study the appropriate and equitable treatment of cancer patients by insurance companies when the patients are eligible for cancer clinical trials. The advisory council was to include representatives of health insurance companies, patients, and health care providers, advisors, and administrators.

HB 615 charged the group with defining routine care for patients in cancer clinical trials and looking at whether companies deny coverage of routine costs. The council was to report its findings and recommendations to the insurance commissioner, who in turn was to present the council's recommendations to the committee by March 31.

In its report, the council recommended that the insurance commissioner ask the committee to introduce legislation to adopt the council's definitions of routine care and clinical trials and to require coverage of routine care.

Insurance Commissioner Monica Lindeen presented the council's report at the March 2012 meeting and suggested that the committee introduce a bill as requested by the advisory council. She also recommended that the bill cover patients with life-threatening conditions other than cancer. The committee authorized drafting of the legislation and took public comment on it at the June 2012 meeting.

After discussing whether the bill should be expanded to include life-threatening conditions other than cancer, committee members agreed to limit it to cancer clinical trials and to introduce it as a committee bill in the 2013 Legislature.

All-Payer All-Claims Database

The 2011 Legislature also passed House Bill 573, requiring Commissioner Lindeen to establish an advisory council to study the creation of a statewide database that would contain all

insurance claims paid by private health insurers, Medicaid, and Medicare. The group was to examine, among other things, the costs and benefits of creating such a database, as well as the procedural and technical requirements of designing, implementing, and maintaining the database.

The study was to look at a range of health care information that might be gleaned from the database, including whether access to information about health care claims and payments would allow insurers and consumers to compare the quality and effectiveness of health plans, insurers, facilities, and providers.

Like HB 615, the bill required the insurance commissioner to report to the committee on the results of the advisory council's work and on any recommendations the council made.

Commissioner Lindeen provided the committee with a report at its August 2012 meeting.

INCORPORATE DETAILS OF REPORT/COMMITTEE ACTION.

Review of Maternal Mortality

Because the committee has the ability to review a wide range of health care topics, physicians representing the Montana section of the American College of Obstetrics and Gynecology presented information about recent changes in maternal mortality rates. The organization is concerned about the increase in maternal deaths since 2008.

From 1980 to 2008, Montana averaged one maternal death per year. In 2009, five women died within the first year of giving birth. And in the next two years, 18 new mothers died.

The organization asked the committee in August 2012 to consider introducing legislation to add maternal mortality reviews to the review of fetal, infant, and child deaths that already occurs at the local level. They said that allowing local review teams to look into the causes of maternal deaths would yield information that could help prevent such deaths in the future and improve the care provided to new mothers.

ADD COMMITTEE ACTION

DPHHS Monitoring

The committee heard regular updates from DPHHS Director Anna Whiting Sorrell about various agency matters, including:

- the Medicaid program. Enrollment in the program leveled off during the interim, after more than two years of steady increases.
- efforts to reduce the out-of-state placement of children with mental health needs. The committee continued hearing six-month reports on the number of children who are in out-of-state care. In addition, the reports discussed the steps DPHHS is taking to reduce out-of-state placements and create more treatment opportunities in Montana. DPHHS

provides the reports in order to fulfill the requirements of the 2009 passage of Senate Bill 399.

- a new partnership with a national group that works to reduce hunger. Share Our Strength will work with the state on efforts to encourage greater participation in existing state nutrition programs, such as SNAP. The state has created a No Kid Hungry website as part of this effort, available at <http://mt.nokidhungry.org>.
- the increase in the number of elderly individuals who can receive Medicaid-covered services in their homes, as a result of a changes to the state's Home and Community-Based Services waiver for senior and long-term care. Fifty-one individuals were able to move out of nursing homes because of an increase in waiver slots, while another 45 individuals were able to stay in their home or community rather than go into a nursing home.
- a federally funded program in which high-risk Medicaid patients with cardiovascular disease or diabetes are enrolled in an evidence-based intervention program to see if it reduces their long-term costs of care; and
- the success of efforts to increase the number of children immunized in Montana.

APPENDIX A: Summary of Committee Legislation

The Committee approved **HOW MANY** bills for introduction in the 2013 Legislature, as follows:

- LC 120, to appropriate general fund to encourage increased participation in the School Breakfast Program;
- LC 121, to appropriate general fund for a payment to Medicaid providers;
- LC 122, to appropriate Temporary Assistance to Needy Families funds for out-of-school food support activities;
- LC 240, to clarify coverage of routine costs for patients in approved clinical trials;
- **LCFF04, to create an office of the child and family ombudsman;**
- LCCF05, to require the Department of Public Health and Human Services to seek national accreditation of its child protective services;
- **LCCF07, to allow some family members other than parents to obtain information about child abuse and neglect reports and require DPHHS to notify a person who has filed a report that the agency has received and is processing the report;**
- **LCCF08, to allow the federal advocacy agency for developmentally disabled people to receive reports of abuse or mistreatment at the Montana Developmental Center and to make the client protection specialist an employee of the Department of Justice;**
- **LCCF09, to require DPHHS to develop a plan to close MDC and move residents into community services by June 30, 2015; and**
- **LCCF10, to appropriate general fund to the Montana Children's Trust Fund to support local early intervention and child abuse prevention efforts.**

APPENDIX B: Federal Poverty Level Table, 2011

The table below shows the annual and monthly gross income for families at the federal poverty level (100% column) in 2011. It also indicates the amount of income families could earn and qualify for various food assistance programs.

Families at 100% of poverty are eligible for the Supplemental Nutrition Assistance Program, or SNAP.

Children in families at 130% of poverty qualify for free meals at school.

Children in families at 150% of poverty qualify for free meals at day care and Head Start programs. Families at this income level also may receive food packages from The Emergency Food Assistance Program.

Children in families between 131% and 185% of poverty qualify for reduced-price meals at schools. Pregnant, breast-feeding and postpartum women with incomes of up to 185% of poverty, as well as children up to age 5, qualify for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

| Family Size | Gross Yearly Income | | | | Gross Monthly Income | | | |
|-------------|---------------------|----------|----------|----------|----------------------|---------|---------|---------|
| | 100% | 130% | 150% | 185% | 100% | 130% | 150% | 185% |
| 1 | \$10,890 | \$14,157 | \$16,335 | \$20,147 | \$908 | \$1,180 | \$1,361 | \$1,680 |
| 2 | \$14,710 | \$19,123 | \$22,065 | \$27,214 | \$1,226 | \$1,594 | \$1,839 | \$2,268 |
| 3 | \$18,530 | \$24,089 | \$27,795 | \$34,281 | \$1,544 | \$2,007 | \$2,316 | \$2,856 |
| 4 | \$22,350 | \$29,055 | \$33,525 | \$41,348 | \$1,863 | \$2,422 | \$2,794 | \$3,447 |
| 5 | \$26,170 | \$34,021 | \$39,255 | \$48,415 | \$2,181 | \$2,835 | \$3,271 | \$4,035 |
| 6 | \$29,990 | \$38,987 | \$44,985 | \$55,482 | \$2,499 | \$3,249 | \$3,749 | \$4,623 |
| 7 | \$33,810 | \$43,953 | \$50,715 | \$62,549 | \$2,818 | \$3,663 | \$4,226 | \$5,213 |
| 8 | \$37,630 | \$48,919 | \$56,445 | \$69,616 | \$3,136 | \$4,077 | \$4,704 | \$5,802 |

APPENDIX C: Summary of Presentations

Committee members heard from a number of stakeholders while working on their HJR 8 study, as well as their SB 423, Medicaid, and DPHHS monitoring activities. Following is a list of the topics discussed at each of the meetings and the people who provided information during formal presentations.

HOUSE JOINT RESOLUTION 8 STUDY: CHILDHOOD HUNGER

Sept. 19, 2011

State-Level Food Assistance Programs

Linda Snedigar, Administrator, DPHHS Human and Community Services Division
Chris Emerson, School Nutrition Programs Director, Office of Public Instruction

Local-Level Food Assistance Programs

Peggy Grimes, Montana Food Bank Network
Debbie Lewis and Karen Johnson, North Middle School PTSA, Great Falls
Jeanne Christopher, Confederated Salish-Kootenai Early Childhood Services Program
Robin Cormier, Counselor, Orchard Elementary School, Billings
Minkie Medora, Food Security Council

Causes of Childhood Hunger

Hank Hudson, Manager, DPHHS Economic Security Services Branch
Sarah Corbally, Acting Administrator, DPHHS Child and Family Services Division
Kim DeBruycker, Gallatin Gateway School Superintendent

Nov. 14, 2011

Efforts to Expand Use of Montana-Grown Products

Nancy Matheson, Special Projects Coordinator, Department of Agriculture
Mary Stein, Montana Farm to School Program
Michael McCormick, Executive Director, Livingston Food Pantry

MEDICAID MONITORING

Sept. 19, 2011

State and National Landscape

Laura Tobler and Melissa Hansen, National Conference of State Legislatures
Mary Dalton, Manager, DPHHS Medicaid and Health Services Branch

Nov. 14, 2011

Cost-Containment Options and Considerations

Mary Dalton, Manager, DPHHS Medicaid and Health Services Branch
Bob Olsen, MHA, An Association of Montana Healthcare Providers
Kathy McGowan, Community Mental Health Centers
Dan Aune, Executive Director, Mental Health America of Montana
Lander Cooney, CEO, Community Health Partners, Livingston
Bill Hagan, President, West Region, United Healthcare Community and State

Jan. 23, 2012

Error Detection

William Baylor and Kelli Garvanian, Emdeon

Mary Dalton, Manager, DPHHS Medicaid and Health Services Branch

Mike Batista, Administrator, Department of Justice Division of Criminal Investigation

Impact of Provider Rate Changes

Jan Cahill, Montana Association of Community Disability Services

Bob Olsen, MHA, An Association of Montana Healthcare Providers

Geoffrey Birnbaum, Missoula Youth Homes

March 19, 2012

Preparing for the Medicaid Expansion:

Lorez Meinhold, Senior Policy Advisor, Colorado Governor's Office

Ron Baldwin, Administrator, DPHHS Technology Services Division

Aug. 20, 2012

Implications of the U.S. Supreme Court Ruling

Anna Whiting Sorrell, DPHHS Director

Gregg Davis, Director of Health Care Industry Research, University of Montana Bureau of Business and Economic Research

Other Speakers Added Here

SB 423 MONITORING: MONTANA MARIJUANA ACT

Sept. 19, 2011

Implementation and Transition

Roy Kemp, Deputy Administrator, DPHHS Quality Assurance Division

Report from the Field

Kate Cholewa, Montana Cannabis Industry Association

AGENCY OVERSIGHT: MONTANA DEVELOPMENTAL CENTER REVIEW

June 25, 2012

MDC Issues and Policy Proposals

Anna Whiting Sorrell, DPHHS Director

Hank Hudson, MDC Governing Board

Gene Haire, MDC Superintendent

Polly Peterson, MDC Clinical Director

Heidi McCormick, LCPC, Quality Management Consultant to DPHHS

Bernadette Franks-Ongoy, Executive Director, Disability Rights Montana

HEALTH AND HUMAN SERVICES OVERSIGHT

Aug. 20, 2012

Maternal Mortality

Dr. William Peters

Dr. Shaun Gillis

APPENDIX D: Summary of Reports

Committee staff prepared a number of reports related to committee studies and other health and human services issues, as listed below.

HJR 8 STUDY: CHILDHOOD HUNGER

Informational Briefing Papers with Options for Consideration, Sue O'Connell, January 2012

- Increase Use of School Breakfast Programs
- Support Montana Farm-to-School Programs
- Review Issues Related to Food Deserts
- Create an Education Clearinghouse
- Expand Use of SNAP Benefits at Farmers' Markets
- Support Gleaning Programs
- Donate Montana Correctional Enterprises Food Products
- Flexibility in the SNAP and TANF Programs

Summary of Suggestions to Date, November 2011

Summary of Gap Information Presented to Date, November 2011

Unused SNAP Benefits, November 2011

State-Run Food Assistance Programs, Sue O'Connell, September 2011

SJR 30 STUDY: CHILDHOOD TRAUMA

Confidentiality and Its Exceptions, Alexis Sandru, June 2012

Case Worker Conditions: Historical Backdrop, Compiled by Casey Barrs, May 2012

Addressing Childhood Trauma: Localized Responses and Oversight Mechanisms, Casey Barrs, May 2012

MEDICAID MONITORING

New Questions for the Medicaid Expansion, Sue O'Connell, August 2012

Planning for the Medicaid Expansion, March 2012

Provider Rates: Overview and Recent History in Montana, January 2012

An Overview of Medicaid Waivers, November 2011

An Overview of Managed Care, Sue O'Connell, November 2011

Montana's History with Managed Mental Health Care, September 2008

Medicaid: An Overview, Sue O'Connell, September 2011

- Medicaid Enrollment by County/City

SB 423 Monitoring: Montana Marijuana Act

Developments Through August 2012, Sue O'Connell, August 2012

Developments Through June 2012, Sue O'Connell, June 2012

Developments Through April 2012, Sue O'Connell, May 2012

Developments Through March 2012, Sue O'Connell, March 2012

Developments Through December 2011, Sue O'Connell, January 2012

Developments Through October 2011, Sue O'Connell, Nov. 4, 2011

Developments from June 2011 through August 2011, Sue O'Connell, September 2011

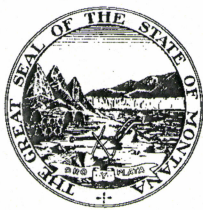
How SB 423 Changes Current Law, Sue O'Connell, June 2011

Overview of Legal Action, Julianne Burkhardt, June 2011

Initiative Referendum to Overturn Law, Sue O'Connell, June 2011

Copies of all staff reports are available on the Staff Reports page of the committee's website:
<http://leg.mt.gov/css/committees/interim/2011-2012/Children-Family/Staff-Reports/reports.asp>

APPENDIX E: Committee Correspondence Related to HJR 8



Children, Families, Health, and Human Services Interim Committee

62nd Montana Legislature

PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
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PAT NOONAN
CAROLYN PEASE-LOPEZ
DON ROBERTS

COMMITTEE STAFF

SUE O'CONNELL, Lead Staff
JULIANNE BURKHARDT, Staff Attorney
FONG HOM, Secretary

May 18, 2012

Denise Juneau, Superintendent
Office of Public Instruction
Helena, MT 59620-2501

Dear Superintendent Juneau,

The Children, Families, Health, and Human Services Interim Committee has spent several months studying issues related to childhood hunger. Throughout the study, the committee heard from many interested parties about programs that currently exist to educate school students and others about healthy food choices. The committee also heard from many people about the need to ensure that people have the knowledge and skill to use their food dollars wisely, make good food choices, and provide nutritious meals for their children.

Several stakeholders suggested that a clearinghouse for existing information on nutrition education would benefit children, their parents, and many of the groups that are involved with ensuring that Montana children have access to healthy foods. On behalf of the committee, I'm writing to ask that you consider establishing such a clearinghouse within the Office of Public Instruction.

Stakeholders envisioned the clearinghouse as a Web site that would provide information about and links to the many nutrition education efforts already underway in the state. These efforts range from the training and technical assistance that Montana Team Nutrition provides to schools to the nutrition education offerings of the Supplemental Nutrition Assistance Program, after-school programs, local food banks, and organizations such as 4-H and Grow Montana.

The Web site would provide a wealth of information to anyone who wants to learn more about ways to improve child and youth nutrition. As part of its responsibilities, the clearinghouse also could inform interested parties — such as food banks and other groups involved in efforts to alleviate hunger — of the existence of the Web site.

The interim committee members heard about the important role that Montana Team Nutrition plays in school-related nutrition education efforts. We also learned of the program's involvement

in bringing together other groups involved in nutrition education, to encourage sharing of information.

Because OPI oversees Montana Team Nutrition and also is involved in several statewide coalitions focused on nutrition and food security, the committee believes OPI is best positioned to establish and publicize a clearinghouse for nutrition education. Thus the Children and Families Committee respectfully asks you to take on this task.

Thank you for consideration of our request.

Sincerely,

Sen. Jason Priest
Presiding Officer

CI0425 2137soxa.



Children, Families, Health, and Human Services Interim Committee

62nd Montana Legislature

PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
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COMMITTEE STAFF

SUE O'CONNELL, Lead Staff
JULIANNE BURKHARDT, Staff Attorney
FONG HOM, Secretary

TO: Directors of Montana Farmers' Markets

FROM: Sen. Jason Priest, Presiding Officer
Children, Families, Health, and Human Services Interim Committee

DATE: March 23, 2012

RE: Accepting SNAP Benefits at Farmers' Markets

On behalf of the Children, Families, Health, and Human Services Interim Committee, I'm writing to encourage your market to begin accepting Supplemental Nutrition Assistance Program (SNAP) benefits if you don't already do so.

Our legislative committee agreed to make this request after spending several months studying issues related to childhood hunger. The 2011 Legislature approved the study through passage of House Joint Resolution 8. Among other things, the study resolution asked the committee to:

- examine ways to improve access to nutritious foods; and
- encourage the use of Montana farm products in programs that serve children.

During the course of the study, the committee heard from a number of speakers, including representatives of the Department of Agriculture, farm-to-school programs, and food banks. Much of the discussion focused on ways to improve access to healthy foods and to do more to incorporate Montana farm products into the various programs that provide food to children at school, in day-care settings, and in their homes.

SNAP is a federally funded program that currently helps almost 127,400 Montanans buy food each month, including more than 50,000 children in February of this year. In February, SNAP benefits for the month totaled \$16.4 million in Montana.

SNAP recipients use Electronic Benefit Transfer (EBT) cards, similar to debit cards, to make purchases from certified SNAP retailers. The benefits may be used to buy any food item other than alcohol, tobacco, or prepared foods that are ready for consumption.

Some study participants suggested that increasing the use of SNAP benefits at farmers' markets would help meet the study's goals of improving access to nutritious foods and using healthy, Montana-produced foods in programs that serve children. As a result, the committee reviewed information about what has been done to date to accept SNAP benefits at farmers' markets.

The committee subsequently agreed that both SNAP recipients and Montana producers would benefit if more farmers' markets accepted SNAP benefits. SNAP recipients would gain a new shopping option and better access to fresh foods. Meanwhile, Montana producers may gain a broader customer base.

We're sending this letter to encourage you to consider accepting EBT cards at your market. We're also enclosing a manual that was written as part of a pilot project that tested the use of SNAP benefits at several farmers' markets from 2007 to 2009. The manual details the steps that a market must take to be certified as a SNAP retailer and to set up a system for accepting EBT cards.

The rapid changes in technology that have occurred since the manual was published may make it even easier for your market or for individual producers to accept SNAP benefits. For example, wireless Internet service is more widely available, meaning a land line may not be necessary to operate machines in some areas.

We wanted to send this information now in order to give your market time to put the necessary pieces into place before this summer. We hope you'll give serious consideration to this request. We believe it provides a win-win situation for all involved.

Enc: *Montana Farmers Market Electronic Benefits Transfer Manual*

CI0425 2083soxa.